



**Kenneth A. Gibson**

**MAYOR**

**NEWARK, NEW JERSEY**

**07102**

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For release Sunday

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#### GIBSON PROPOSES FIRST WASTE RECYCLING PLANT IN NEW JERSEY

Mayor Kenneth A. Gibson announced today that the City of Newark has offered to consider the construction of New Jersey's first resource recovery facility, if an economic arrangement can be reached with Essex County.

The Mayor said two key factors are necessary to make a 2000-ton-per-day recycling facility succeed in Essex County. "The first is to secure financing, which I understand the Port Authority will provide," Gibson said. "The second factor is to obtain a suitable site." The City of Newark is willing to consider using the site on which Newark had planned to construct a similar facility with private financing.

Gibson said Newark must receive a reasonable return for use of the 25-acre Blanchard Street site in the Ironbound. "If Essex County continues to take a hard-line against an equitable payment to the city, then this project will be in serious jeopardy," the Mayor warned.

"Newark is not a land-rich City. Prime industrial tracts are a premium and the city is not going to give away its scarce remaining land," said Gibson. "Approximately two-thirds of Newark's land area is not exempt from municipal realty taxes, and the Port Authority currently occupies about 20 percent of the city's area. We cannot and will not accept what amounts to a sell-out of our city."

"If the land proposes for the recovery facility is privately developed, the city could obtain a much higher tax return than the \$1 million payment in lieu of taxes offered by the county," Gibson said. "Admittedly, it may take longer if we decide that the best use for the property is for industrial purposes. But Newark is in no hurry to drastically mark down the value of the few remaining parcels of undeveloped industrial land in the city," Gibson added.

The City is offering a site that has been investigated, studied and acquired by the Newark Housing Authority. This assembled site was acquired at a cost of approximately \$1.5 million.

The site studies included soils analysis, transportation access, and an environmental impact statement. Site improvements include the relocation of high-pressure gas transmission mains and property easements, some site piling, earth excavation and debris removal. The studies and site improvement work cost approximately \$2 million above the land acquisition cost.

"The amount of work done on the site will expedite the construction of a resource recovery plant," Gibson said. "Construction delays result in increased cost due to inflation. Without Newark's assistance, locating a facility in Essex County may not be practicable. No other municipality in Essex County has shown a willingness to construct such a plant," the Mayor declared.

"Just one year of delay, if the project stalls or litigation results on the issue, could result in a loss of \$18 million due to inflation. This is equivalent to approximately six years of payments in lieu of taxes at the rate requested by Newark."

The mayor stated that the payments sought by Newark are similar to revenue derived from recovery plants or incinerators in Saugus, Mass., Milwaukee and North Arlington.

The Mayor said that "Newark is anticipating that the payment which it seeks would be annually adjusted to keep pace with inflation. The form of this payment to Newark is not crucial. The revenue could be provided to the city in the form of direct payments in lieu of taxes, perhaps as a percentage of the project cost; a reduced tipping fee; revenue on the sale of fuel or materials processed from refuse; host communities fees; or a combination of these methods."

The Mayor concluded by saying that "if the county does not get serious in its negotiations with the city, that they will seriously delay the project. If Essex County does not want to pay for what it wants to buy, then it should not come to Newark to buy it."